



# Infinity Bank Announces First Quarter 2020 Financial Results

Santa Ana, CA, May 5, 2020 (ACCESSWIRE) – Infinity Bank (OTCQB: INFT) (the “Bank”) announced financial results as of March 31, 2020.

## **Financial Highlights for the first quarter of 2020:**

- Total loans increased to \$76.5 million at March 31, 2020, versus \$21.9 million at March 31, 2019
- Total deposits increased to \$82.7 million at March 31, 2020, versus \$56.6 million at March 31, 2019
- Total assets equaled to \$110.1 million at March 31, 2020, versus \$83.8 million at March 31, 2019

## **Loans**

The Bank’s total loans grew by \$2.7 million, or 3.6% on a linked quarter basis to \$76.5 million at March 31, 2020 and by \$54.6 million, or 249.3% compared to March 31, 2019. The Bank increased its loan to deposit ratio to 92.5% as of March 31, 2020. This represents an increase from 83.0% from the fourth quarter ending December 31, 2019, and 38.7% compared to the same time last year.

## **Deposits**

Total deposits totaled \$82.7 million as of March 31, 2020, versus the previous linked quarter of \$89.0 million, a decrease of \$6.3 million or 7.1%. When compared to the same time last year, the Bank increased its total deposits by \$26.1 million or 46.1% from March 31, 2019 to March 31, 2020. The cost of total deposits for the first quarter ended March 31, 2020 was 57 basis points, a decrease of 2 basis points compared to fourth quarter ended December 31, 2019. Noninterest-bearing demand accounts decreased by \$6.6 million, or 15.1% compared to the fourth quarter ended December 31, 2019. The decrease was due to normal movement in deposits held by our accountholders. On a year-over-year basis noninterest-bearing demand accounts increased \$11.6 million, or 45.8% at March 31, 2020 versus March 31, 2019. Interest-bearing deposits increased by \$0.3 million, or 0.6% compared to the fourth quarter ended, December 31, 2019. Interest bearing deposits increased by \$14.5 million or 46.3% from March 31, 2019 to March 31, 2020 as the Bank continued to add key clients to its deposit portfolio.

## **Net-Interest Income**

Net-interest income totaled \$1.2 million an increase of \$127 thousand, or 12.0% for the first quarter ended March 31, 2020 compared to the fourth quarter of 2019. Net-interest income grew by \$635 thousand, or 115.2% when compared to the same period last year. The Bank’s primary source of revenue was driven by interest income from loans and investment securities. The Bank’s net interest margin rose by 17 basis points at the end of first quarter ended March 31, 2020 from previous linked quarter and an increase of 109 basis points compared to same period in 2019.

## **Non-Interest Income**

At March 31, 2020, total non-interest income totaled \$54 thousand, a decrease of \$104 thousand, or 65.8% from previous linked quarter. Non-interest income increased \$35 thousand, or 184.2% when compared to this same period last year. The decrease in non-interest income during the quarter ended March 31, 2020, was primarily due to fewer sales of investment securities during the quarter.

## **Non-Interest Expense**

During the first quarter of 2020, the Bank's total non-interest expense increased by \$108 thousand, or 8.4% versus the fourth quarter ended December 31, 2019. Non-interest expense increased \$185 thousand, or 15.4% when compared to the comparable period ended March 31, 2019. The increase in non-interest expense was primarily a result of additional staff as the Bank continues to grow.

## **Net Income**

The Bank recorded a net loss of \$182 thousand (\$0.06 per share) for the quarter ended March 31, 2020 versus a net loss of \$407 thousand (\$0.12 per share) and a net loss of \$734 thousand (\$0.22 per share) compared to the fourth quarter ended, December 31, 2019 and first quarter ended, March 31, 2019, respectively. The net loss for the first quarter of 2020 reflected the smallest quarterly net loss in the Bank's history.

## **Capital**

At March 31, 2020, the Bank remained well-capitalized under the regulatory capital ratio guidelines with a tier 1 risk-based capital ratio of 27.39%, a total risk-based capital ratio of 28.41%, and a tier 1 leverage ratio of 22.17%.

## **ABOUT INFINITY BANK**

Infinity Bank is a community bank that commenced operations in February, 2018. The Bank is focused on serving the banking needs of commercial businesses, professional service entities, their owners, employees and families. The Bank offers a broad selection of depository products and services as well as business loans and commercial real estate financing products uniquely designed for each client. For more information about Infinity Bank and its services, please visit the website at [www.goinfinitybank.com](http://www.goinfinitybank.com).

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This news release contains a number of forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may be identified by use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "likely," "may," "outlook," "plan," "potential," "predict," "project," "should," "will," "would" and similar terms and phrases, including references to assumptions. Forward-looking statements are based upon various assumptions and analyses made by the Bank considering management's experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. These statements are not guaranteeing of future performance and are subject to risks, uncertainties and other factors (many of which are beyond the Bank's control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Accordingly, you should not place undue reliance on such statements. Factors that could affect the Bank's results include, without limitation, the following: the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Bank's control; there may be increases in competitive pressure among financial institutions or from non-financial institutions; changes in the interest rate environment may reduce interest margins; changes in deposit flows, loan demand or real estate values may adversely affect the business of the Bank; unanticipated or significant increases in loan losses; changes in accounting principles, policies or guidelines may cause the Bank's financial condition to be perceived differently; changes in corporate and/or individual income tax laws may adversely affect the Bank's financial condition or results of operations; general economic conditions, either nationally or locally in some or all areas in which the Bank conducts business, or conditions in the securities markets or the banking industry may be less favorable than the Bank currently anticipates; legislation or regulatory changes may adversely affect the Bank's business; technological changes may be more difficult or expensive than the Bank anticipates; there may be failures or breaches of information technology security systems; success or consummation of new business initiatives may be more difficult or expensive than the Bank anticipates; or litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than the Bank anticipates.

INFINITY BANK  
 UNAUDITED STATEMENTS OF FINANCIAL CONDITION  
 (Dollars in thousands)

	March 31, 2020	December 31, 2019	March 31, 2019
<b>ASSETS:</b>			
Cash and due from banks	\$ 25,475	\$ 13,476	\$ 46,311
Securities available for sale	6,542	27,788	14,968
Total Loans	76,499	73,840	21,882
Allowance for loan and lease losses	(956)	(923)	(274)
Net Loans	75,543	72,917	21,608
Premises and equipment, net	1,859	1,960	507
Other assets	726	491	361
<b>TOTAL ASSETS</b>	<b>\$ 110,145</b>	<b>\$ 116,632</b>	<b>\$ 83,755</b>
<b>LIABILITIES</b>			
Deposits:			
Non-interest bearing	\$ 36,879	\$ 43,451	\$ 25,286
Interest bearing	45,848	45,567	31,333
Total deposits	82,727	89,018	56,619
Other liabilities	1,780	1,835	252
<b>TOTAL LIABILITIES</b>	<b>84,507</b>	<b>90,853</b>	<b>56,871</b>
Stockholders' Equity:			
Common stock	32,732	32,652	32,429
Accumulated deficit	(6,866)	(4,934)	(4,934)
Net income (loss)	(182)	(1,932)	(734)
Accumulated other comprehensive gain	(46)	(7)	123
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>25,638</b>	<b>25,779</b>	<b>26,884</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 110,145</b>	<b>\$ 116,632</b>	<b>\$ 83,755</b>

INFINITY BANK  
 UNAUDITED STATEMENTS OF OPERATIONS  
 (Dollars in thousands except share and per share amounts)

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Interest Income:			
Loans	\$ 1,159	\$ 943	\$ 273
Investment securities	94	168	107
Other short-term investments	60	67	234
Total interest income	<u>1,313</u>	<u>1,178</u>	<u>614</u>
Interest expense:			
Deposits	127	119	63
Borrowed funds	-	-	-
Total interest expense	127	119	63
Net interest income	1,186	1,059	551
Provision for loan and lease losses	33	342	100
Net interest income after provision for loan and lease losses	<u>1,153</u>	<u>717</u>	<u>451</u>
Non-interest income:			
Service charges and other fees	44	19	7
Other income	3	33	12
Gain (loss) on securities	7	106	-
Total non-interest income	<u>54</u>	<u>158</u>	<u>19</u>
Non-interest expense:			
Salaries and employee benefits	972	831	822
Occupancy	92	82	83
Furniture, fixture & equipment	41	42	42
Data processing	69	66	45
Professional & legal	82	119	55
Marketing	7	19	12
Other expense	126	122	145
Total non-interest expense	<u>1,389</u>	<u>1,281</u>	<u>1,204</u>
Income (loss) before taxes	(182)	(406)	(734)
Income tax expense	-	1	-
<b>Net Income (Loss)</b>	<u>\$ (182)</u>	<u>\$ (407)</u>	<u>\$ (734)</u>
Earnings (loss) per share ("EPS"): Basic	\$ (0.06)	\$ (0.12)	\$ (0.22)
Common shares outstanding	3,306,429	3,306,429	3,300,000

INFINITY BANK  
UNAUDITED FINANCIAL HIGHLIGHTS

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
Performance Ratios (Based upon Reported Net Income):			
Net interest margin	4.23%	4.06%	3.14%
Cost of funds	0.57%	0.59%	0.56%
Loan to deposit ratio	92.47%	82.95%	38.65%
Asset Quality Summary:			
Allowance for loan loss/Total loans	1.25%	1.25%	1.25%
Capital Ratios:			
Tier 1 risk-based capital ratio	27.39%	28.55%	88.23%
Total risk-based capital ratio	28.41%	29.57%	88.23%
Tier 1 leverage ratio	22.17%	24.13%	36.58%